

PUBLIC DISCLOSURE

November 3, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**CENTRAL BANK
Certificate Number: 9204**

**75 North University Avenue
Provo, Utah 84601**

**Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING: This institution is rated: Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Small Bank Lending Test

Central Bank's (CB) overall CRA performance depicts a satisfactory practice of providing for the credit needs of its designated assessment area. This analysis determined that the bank's use of its deposit products to fund loans within its assessment area is reasonable and consistent with the bank's business plan, market demand, and growth. A significant majority of loans by number and dollar volume were made within the bank's assessment area. The bank's commercial lending to small businesses of differing sizes is excellent. Those businesses residing in different income geographies are adequately distributed in relation to the demographics of the bank's market and product demand. The bank's Home Mortgage Disclosure Act (HMDA) lending to borrowers of different incomes is excellent. The HMDA borrowers residing in different income geographies are reasonably correlated with the demographics of its assessment area, particularly with respect to low- and moderate-income individuals and geographies. No CRA related complaints were received during the evaluation period.

Community Development Test

During the current three-year assessment period, CB provided a significant amount of community development loans and a reasonable level of qualified investments targeted to affordable housing. The bank also provided a reasonable number of qualified service hours largely through memberships on housing and redevelopment boards.

The CRA examination findings indicated no evidence of discriminatory practices or disparate treatment concerning borrowers belonging to any of the protected classes, or any other borrower or customer.

SCOPE OF EXAMINATION

The assessment period for this analysis was from January 2006 through October 2008. This is the first examination of CB using “Intermediate Small Bank” procedures, which is defined under the CRA as a small bank with minimum assets of at least \$265 million, as of December 31 for each of the 2 prior calendar years, and no more than \$1.061 billion as of December 31 for either one of 2 prior years. Under these procedures, the bank is analyzed under the following two tests:

(1) Small Bank Lending Test

- Loan to deposit ratio;
- Lending within the assessment area;
- Lending to businesses of different sizes and borrowers of different incomes;
- Geographic distribution of loans; and
- Response to complaints.

(2) Community Development Test

- Community Development Loans;
- Qualified Investments; and
- Community Development Services.

This evaluation was conducted at the institution’s headquarters in Provo, Utah. Examiners relied on records and reports provided by the institution, publicly available loan and financial information, demographic information, and information gathered as part of the evaluation process, including community contacts.

CB’s primary focus is commercial loans with limited residential lending. Therefore, the bank’s performance with respect to the small bank test was determined from a sample analysis of commercial loans originated over the six months preceding November 1, 2008, and the bank’s HMDA loan portfolio for years 2006, 2007, and January 2008 through year-to-date October 2008.

Because CB is a full-service community bank that directly lends to its community in the normal course of business, more weight is placed on its efforts under the small bank test, as compared to its community development activities. Also, more weight was placed on the bank’s commercial loans as this constitutes the bank’s primary loan product.

DESCRIPTION OF INSTITUTION

CB is one of the oldest locally owned and operated full-service community banks within the Utah County area. CB currently operates from 10 different locations, all located within Utah County. It offers a wide range of personal and business loans, and deposit products. The bank's lending is centered in the areas of construction/land development, commercial and industrial, and to a lesser degree, mortgage lending. As of June 30, 2008, the bank had total assets of \$629,071,000 with total loans of \$446,396,000, and total deposits of \$467,028,000.

The following table reflects the bank's loan portfolio as of the June 30, 2008, Call Report:

CB Loan Portfolio as of June 30, 2008		
Loan Category	\$ (000s)	%
Commercial Loan	\$202,959	46%
Construction and Land Dev	\$179,065	40%
Consumer Loans	\$35,208	8%
Farm Loans	\$12,078	3%
Multi-Family Loans	\$ 8,729	2%
Residential	\$8,013	1%
Other	\$344	0%

Source: 6/30/2008 Report of Condition

CB's primary focus is commercial loans extended to small- and medium-sized businesses located within its assessment area. The next largest product type is construction and land development loans, which comprise 27 percent of total loans. While consumer residential real estate loans only represent 1 percent of booked loans, the bank originates around \$20 million in mortgages a year that are either sold on the secondary market, or brokered to end financiers. The bank is also one of the top 20 Small Business Association (SBA) lenders in the state.

A review of pertinent records, as well as the bank's CRA public file, did not reveal any complaints relating to the institution's CRA performance since the last evaluation of the bank's CRA performance. No legal or financial impediments exist which would prohibit the bank from meeting the credit needs of the community. The bank received a "Satisfactory" rating on its last CRA Evaluation dated September 6, 2005.

DESCRIPTION OF ASSESSEMENT AREA

The bank defined Utah County as its assessment area, which is part of the Provo-Orem Metropolitan Statistical Area (MSA) #39340. Utah County contains the large population centers of Provo and Orem, Utah. The following table shows various key demographic data involving Utah County.

Demographic Information for Utah County						
Demographic Characteristics	#	Low % of #	Mod % of #	Mid % of #	Upper % of #	NA % of #
Geographies (Census Tracts)*	85	8%	14%	46%	28%	4%
Population by Geography*	368,536	9%	15%	47%	29%	0%
Owner-Occupied Housing by Geography	66,800	2%	11%	53%	34%	0%
Business by Geography**	36,457	3%	14%	49%	34%	0%
Farms by Geography	794	1%	7%	59%	33%	0%
Family Distribution by Income Level	81,675	18%	19%	25%	38%	0%
Distribution of Low and Moderate Income Families Throughout Assessment Area	30,304	14%	25%	47%	14%	0%
2008 Housing and Urban Development (HUD) Adjusted Median Family Income (MFI)**		\$60,000	Median Housing Value		\$154,118	
Percentage of Households Below Poverty Level		11%	Unemployment		5%	

Source: *2000 U.S. Census, **2007 D&B data, and ***2008 HUD Updated MFI

CB operates its main office and 9 branch offices all within Utah County. The county comprises the majority of the Provo-Orem MSA #39340. Utah county is adjacent to the state's most populous county of Salt Lake, and the City of Provo is located 40 miles south of Salt Lake City. Utah County covers approximately 1,998 square miles, and is the state's second largest populated county, behind Salt Lake County. It encompasses the Cities of Provo and Orem, and several smaller cities and residential communities including American Fork, Lehi, Pleasant Grove, Spanish Fork, Springville, Mapleton, Payson, and Saratoga Springs. The county's major employers include the following: Brigham Young University; the Alpine, Provo, and Nebo School Districts; Utah Valley Regional Medical Center; Novell; and Utah Valley State College.

CB faces competition from 18 financial institutions in Utah County for deposit market share. The institutions account for 91 banking offices and \$3,361,843,000 in deposits. According to the "Summary of Deposits Market Share Report" dated June 30, 2008, CB ranks 4th in Utah County and holds 14 percent of total deposits in the county. According to information obtained from 2007 D&B data, 36,457 businesses are located in Utah County, with 64 percent of these businesses reporting gross annual revenues of \$1 million or less.

Assessment Area Economic Outlook

Utah is enjoying a robust expansion, with job growth running at about triple the national pace. The construction industry still leads job growth despite a contraction in homebuilding, but manufacturing payrolls are declining after three years of strong growth. Service industry employment is also growing at far above the national pace. Population growth in the Salt Lake Valley remained well above average in 2007, but has slowed over the past two years.

With the strong economy of the past few years, the Utah unemployment rate has been falling since 2003. It has been below 3 percent for three straight months, about two percentage points below the national figure; this is despite a rapid expansion in the labor force since 2004. The unemployment rate will continue to decline in the near term thanks to the ongoing expansion. Business leaders are concerned about the tight labor market, as it will discourage some firms from expanding or locating in the state, and will also put upward pressure on wages. Over the long run, the Utah unemployment rate is expected to remain well below the national average, despite strong population and labor force growth, presenting a downside risk to growth. Utah's unemployment rate for 2008 is 4.3 percent, which is below the U.S. unemployment rate of 7.2 percent.

Micron and Intel have opened their new flash memory plant in nearby Lehi, Utah. The joint venture, IM Flash Technologies, has invested nearly \$2 billion in the plant. The company is still hiring, contributing to strong employment growth in the area. This facility is expected to employ almost 2,000 people, with the jobs paying salaries well above the statewide average. The plant will be a major growth driver for Utah, both in the near term and over the long run.

Housing

Over the past year housing prices in the county are up 17 percent. As a result, affordability has dropped quickly. In mid-2003, a household with the median income could afford a home that cost 60 percent more than the median single-family existing home sale price, according to Moody's Economy.com, and that figure is just 20 percent above the median sale price. Housing is now less affordable in Utah than it is in the rest of the U.S. With the drop in affordability, house-price growth in Utah is set to slow in the near term, with mid-single digit price increases in 2007 and low single-digit price increases in 2008. Affordability will stay near its current level. By late 2007, this slowdown in price growth will weigh on consumer spending growth in Utah, through reduced mortgage equity withdrawal and a smaller wealth effect.

The residential housing values in the county have had moderate increases since the 2000 U.S. Census. There is a limited amount of housing that is affordable in Salt Lake County. In 2005, 16.8 percent of owner-occupied dwellings were valued under \$125,000. On the other hand, Salt Lake County has a medium percentage of homes that are high in price. In 2005, the American Community Survey reports that 4.2 percent of the residential property was valued over \$500,000. Economic growth will slow in Utah in the near term due to the contraction in homebuilding, but will remain above the national

average due to the new flash memory plant and strong income and population growth. Utah will see growth well above the national average over the forecasted horizon thanks to defense spending, low business costs, a young labor force, and rapid population growth.

Retail Business

The retail trade industry in Utah shows no signs of slowing down, despite industry job losses at the national level in recent months. Major national retailers continue to open locations in the state, employment is up, and state sales tax data point to continued expansion. A number of factors are driving increased retail activity: strong job growth; median household income which is 15 percent above the national average; population growth that is well above the national average; and a young population. In the near-term, retail employment growth will slow, but will remain positive as higher interest rates and a weakening in house price appreciation leads to smaller gains in consumer spending. Over the long run, however, the state's positive demographics will continue to attract retailers to the area, and job gains and the industry will remain well above the national average.

Infrastructure

An area that needs to be addressed by the state and Salt Lake City is the long-term growth in the transportation infrastructure. Rapid population growth and an expanding economy are contributing to traffic problems along the Wasatch Front from Provo to Ogden. The state is currently building a new parkway in the Ogden metro area that should help relieve congestion on I-15. In addition, a new commuter train line linking Ogden and Salt Lake City opened in 2008. Even with these projects, the Utah Department of Transportation estimates a funding shortfall of up to \$20 billion over the next 15 years.

Overall

The economic expansion in Utah will continue, but will grow slower due to weaker national growth and contraction in Utah homebuilding. Over the long-run, the Utah economy will benefit from defense spending, low business costs, a young labor force, and rapid population growth. Utah will see growth well above the national average over the forecast horizon.

Community Contacts

FDIC examiners reviewed a community contact with a representative of a housing authority and small business development organization in Utah County that was conducted in March 2008. The contact perceived financing for affordable housing and small businesses as a primary credit needs. The contact also expressed a need for financial education for new homeowners and education to residents of the community on how to avoid predatory lending.

DISCUSSION OF CRA PERFORMANCE IN UTAH COUNTY

As noted under the Examination Scope comment, CB was evaluated using “Intermediate Small Bank” procedures. The bank’s results are detailed below:

SMALL BANK LENDING TEST

To assess the institution’s performance under the Small Bank CRA test, the following five areas are analyzed:

- **Loan to deposit ratio**
- **Lending within the assessment area**
- **Lending to businesses of different sizes and to borrowers of different incomes**
- **Geographic distribution of loans**
- **Response to complaints**

LOAN TO DEPOSIT RATIO

This performance factor measures the extent to which the bank utilizes its deposit resources to extend credit. CB’s ratios since the prior 2005 FDIC CRA Evaluation are depicted below:

9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07	3/08	6/08
80%	82%	82%	84%	94%	87%	93%	92%	90%	93%	92%	94%

Source: Call Reports

Average loan to deposit over the past 12 quarters: 89 percent.

A review of the loan to deposit ratio of several of CB’s peer banks indicate a range from 75 percent to 96 percent. CB’s average ratio of 89 percent reflects reasonable usage of its resources to fund its narrow business lines.

CRITERIA FOR REMAINING PERFORMANCE FACTORS:

The bank’s performance over the following remaining criteria was determined from a sample analysis of commercial loans originated over the six months preceding November 1, 2008, and the bank’s HMDA loan portfolio for years 2006, 2007, and January 2008 through year-to-date October 2008. The commercial portfolio was chosen because commercial loans represent the bank’s primary product, at 86 percent of total loans by number and volume. Although HMDA loans represent a small

portion of the bank's overall lending, at 2 to 5 percent of total loans, they are typically analyzed for CRA purposes. These loans were analyzed with respect to the following criteria:

- **Lending within the assessment area**
- **Lending to businesses of different sizes and borrowers of different incomes 1.**
- **Geographic distribution of loans 1.**

2008 Commercial Loans from May 2008 through October 2008 - The total commercial loans originated by the bank during this six month period was 538 loans totaling \$313,570,996. From this, a random sample of 43 loans totaling \$17,486,139 was selected for analysis. The selected sample is based on a 90 percent confidence level, with a level of precision plus or minus 15 percentage points.

HMDA Mortgage Loan Universe: The entire universe of HMDA loans the bank reported for 2006, 2007, and January 2008 through year-to-date October 2008, were analyzed. The size of the respective portfolios were: **2006** – 84 loans of \$14,685,000; **2007** – 129 loans of \$30,073,000; **2008** – 54 loans of \$15,079,000.

LENDING WITHIN THE ASSESSMENT AREA

This performance criteria measures the degree in which a bank lends within its designated assessment area. Using the previously described portfolios, the following table shows the percentage of loans, by number and dollar volume, that the bank extended within its assessment area.

Distribution of Loans Inside and Outside of the Bank's Assessment Area										
Loan Type	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Commercial Loans	40	93%	3	7%	43	\$17,420,189	99%	\$65,950	1%	17,486,139
2008 HMDA	49	91%	5	9%	54	\$13,814,000	92%	\$1,265,000	8%	15,079,000
2007 HMDA	111	86%	18	14%	129	\$25,275,000	81%	\$4,798,000	19%	30,073,000
2006 HMDA	75	89%	9	11%	84	\$12,625,000	86%	\$2,060,000	14%	14,685,000
Totals	275	89%	35	11%	310	\$69,134,189	89%	\$8,188,950	11%	77,323,139

Source: Bank Records and HMDA LARs

1. The analysis only considered loans made within the bank's assessment area.

The prior table shows that the bank extends a significant majority of both commercial and HMDA loans by number and dollar within its assessment area, averaging 89 percent for both dollar and number.

LENDING TO BUSINESSES OF DIFFERENT SIZES AND BORROWERS OF DIFFERENT INCOMES

Lending to Businesses of Different Sizes:

Commercial Loans

Small business loans are defined for CRA purposes as those loans made to businesses, including farms, with annual gross revenues of \$1 million or less.

Commercial Sample – From the commercial loan universe as described earlier, a random sample of 43 loans, totaling \$17,486,139 was selected. From this sample, 40 loans totaling \$17,420,189 were extended within the bank’s assessment area.

Commercial Loan Revenue Distribution				
Annual Business Revenues	Number of Loans	Percent by Number	\$ Amount of Loans	Percent by \$ of Loans
\$0 - \$100,000	17	43%	\$2,154,460	12%
\$100,001 - \$250,000	9	23%	\$2,570,638	15%
\$250,001 - \$1,000,000	7	17%	\$5,605,554	32%
Small Business Totals	33	83%	\$10,330,652	59%
Revenues > 1,000,000	7	17%	\$7,089,537	41%
Commercial Loan Totals	40	100%	\$17,420,189	100%

Source: Bank Records

The table above reflects an excellent loan penetration to businesses of different sizes within CB’s assessment area. The above table shows that a majority of the bank’s commercial loans by number and dollars were made to small business with revenues less than \$1 million, with a sizeable volume extended to smaller businesses with revenues under \$250,000. Also, the bank’s small business loan penetration rate of 83 percent compares favorably to the 2007 D&B rate of 64 percent.

Lending to Borrowers of Different Incomes:

The following table provides the geographic distribution of HUD estimated MFI for Utah County for the three assessment years as derived from 2000 U.S. Census data.

Median Family Income Geographic Distribution for Utah County				
Income Level	Percent of MFI	2006	2007	2008
		MFI - \$56,000	MFI - \$55,100	MFI - \$60,000
Low	Less than 50%	< 27,999	< 27,549	< 29,999
Moderate	50% to 80%	28,000 – 44,799	27,550 – 44,079	30,000 – 47,999
Middle	80% to 120%	44,800 – 67,200	44,080 – 66,120	48,000 – 72,000
Upper	120% and Over	> 67,200	> 66,120	> 72,000

Source: HUD MFI

Using this data, the bank's HMDA borrowers are identified as being either low-, moderate-, middle-, or upper-income. From here, we can determine the bank's lending patterns to the various income levels of their HMDA borrowers.

HMDA Loans

The bank's consumer mortgage data reported in its HMDA Loan Application Registers (LARs) for 2006, 2007, and January 2008 through year-to-date October 2008, were validated as accurate during the examination, and were used in their entirety in the following tables.

Distribution of HMDA Consumer Real Estate by Borrower Income								
HMDA Reported Loans					Assessment Area Aggregate Characteristics			
Borrower Income Level	Number of Loans	Percent by Number	\$ Amount of Loans	Percent by Dollar	% Income by Families	% Tracts by Population	% Owner Occupied Housing	% Tracts by #
2008 HMDA Loans								
Low	6	12%	\$690,000	5%	6%	9%	1%	8%
Moderate	11	22%	\$1,681,000	12%	15%	15%	12%	14%
Middle	20	41%	\$3,790,000	28%	50%	47%	53%	46%
Upper	12	25%	\$7,650,000	55%	29%	29%	34%	28%
Totals	49	100%	\$13,814,000	100%	100%	100%	100%	100%*
2007 HMDA Loans								
Low	13	12%	\$1,239,000	5%	6%	9%	1%	8%
Moderate	17	15%	\$2,230,000	9%	15%	15%	12%	14%
Middle	23	21%	\$3,478,000	14%	50%	47%	53%	46%
Upper	58	52%	\$18,328,000	72%	29%	29%	34%	28%
Totals	111	100%	\$25,275,000	100%	100%	100%	100%	100%*
2006 HMDA Loans								
Low	8	11%	\$777,000	8%	6%	9%	1%	8%
Moderate	19	27%	\$2,039,000	21%	15%	15%	12%	14%
Middle	18	25%	\$2,176,000	22%	50%	47%	53%	46%
Upper	26	36%	\$4,903,000	49%	29%	29%	34%	28%
Totals	71**	100%	\$9,895,000*	100%	100%	100%	100%	100%*

Source: Bank HMDA LARs and 2000 U.S. Census data. *Three tracts had no information available and represent 4 percent of the total tracts. **2006 loan totals do not include 4 loans, totaling \$2,730,000, for which borrower income was unavailable.

The table above shows the bank's overall income distribution of HMDA loans for 2005, 2006, and 2008 is excellent and significantly correlated to key census tract characteristics of its assessment area. The bank has penetrated all ranges of census tracts within its assessment area, and to a significant degree, those borrowers of low- and moderate-income.

GEOGRAPHIC DISTRIBUTION OF LOANS

Lending to Businesses in Different Geographies:

As determined by the 2000 U.S. Census, CB's assessment area is comprised of 85 census tracts, with 7 being low-income, 12 being moderate-income, 39 being middle-income, and 24 being upper-

income. Three tracts do not have income information available. The following table compares the bank's sampled commercial lending patterns against certain applicable assessment area characteristics:

Distribution of Commercial Loans by Census Tracts							
Commercial Loans					Assessment Area Aggregate Market Data		
Census Tract Income Level	# of Loans	% by #	\$ Amount of Loans	% by Dollar	Assessment Area Tracts % by small bus	Assessment Area Tracts % by pop.	Assessment Area Tracts % by #
Low	0	0%	\$0	0%	3%	9%	8%
Moderate	5	12%	\$4,840,373	28%	14%	15%	14%
Middle	27	68%	\$9,959,573	57%	49%	47%	46%
Upper	8	20%	\$2,620,243	15%	34%	29%	28%
Totals	40	100%	\$17,420,189	100%	100%	100%	100%*

Sources: 2000 U.S. Census, HUD updated MFIs, and 2007 D&B data. * Three tracts had no census data available and represent 4 percent of the total tracts.

The previous table shows the bank's overall geographic distribution of sampled commercial loans is reasonable and adequately correlated to key census tract characteristics of its assessment area. While the bank has not penetrated the low-income tract in the sample, it provided evidence outside of the commercial sample, whereby its low-income tracts were penetrated. The bank has reasonably penetrated those businesses located in the moderate-income geographies.

Lending to Borrowers in Different Geographies:

The following table shows the bank's HMDA loan distribution in the different census tracts of its Utah County assessment area. With the exception of the partial year 2008, the bank has penetrated all census tracts within its assessment area for each year. The bank lending patterns are reasonably correlated in the low- and moderate-income tracts, when compared to aggregate owner occupied housing percentages in those tracts. The fall off during 2008 is largely attributed to the severe downturn in the mortgage market during 2008.

Distribution of HMDA Consumer Real Estate by Income Geography								
HMDA Reported Loans					Assessment Area Aggregate Characteristics			
Census Tract Income Level	Number of Loans	Percent by Number	\$ Amount of Loans	Percent by Dollar	% Income by Families	% Tracts by Population	% Owner Occupied Housing	% Tracts by #
2008 HMDA Loans								
Low	0	0%	\$0	0%	6%	9%	1%	8%
Moderate	1	2%	\$108,000	1%	15%	15%	12%	14%
Middle	23	47%	\$8,382,000	61%	50%	47%	53%	46%
Upper	25	51%	\$5,324,000	38%	29%	29%	34%	28%
Totals	49	100%	\$13,814,000	100%	100%	100%	100%	100%*
2007 HMDA Loans								
Low	1	1%	\$150,000	1%	6%	9%	1%	8%
Moderate	10	9%	\$1,394,000	6%	15%	15%	12%	14%
Middle	64	58%	\$11,812,000	46%	50%	47%	53%	46%
Upper	36	32%	\$11,919,000	47%	29%	29%	34%	28%
Totals	111	100%	\$25,275,000	100%	100%	100%	100%	100%*
2006 HMDA Loans								
Low	1	1%	\$1,370,000	11%	6%	9%	1%	8%
Moderate	9	12%	\$1,283,000	10%	15%	15%	12%	14%
Middle	45	60%	\$6,024,000	48%	50%	47%	53%	46%
Upper	20	27%	\$3,948,000	31%	29%	29%	34%	28%
Totals	75	100%	\$12,625,000	100%	100%	100%	100%	100%*

Source: Bank HMDA LARs. 2000 U.S. Census Data. *Three tracts had no information available and represent 4 percent of the total tracts.

RESPONSE TO COMPLAINTS

The bank has not received any CRA related complaints.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

COMMUNITY DEVELOPMENT TEST

Overall, CB has used its resources to extend a reasonable number of qualified community development loans, qualified investments, and community development services within its assessment area as detailed below.

Community Development Loans

The bank has extended a significant number of community development loans during the assessment period. In 2006, the bank extended 3 loans totaling \$1,423,245; in 2007, 4 loans totaling \$1,235,076, and in 2008, 5 loans totaling \$4,517, 919. These loans were extended to entities either within the bank's assessment area, or a wider regional area. A description of the loans follows:

Community Development Lending			
Year	Borrower	Amount	Description
2008	Affordable Housing	\$2,777,924	This is a 28-unit apartment project, planned for renovation and sale as individual condominium units in a moderate-income census tract in Murray, Utah. The average sales price of each unit is \$143,964. HUD indicates that the median household income in Salt Lake County is \$61,400 for 2007. HUD assumes that housing is affordable if total housing costs (including utilities) consumes less than 30% of a family's income. The required annual income to be able to purchase a unit at the average price of \$143,964 would be \$42,900 - which is 70 percent of the median household income in Salt Lake County.
	Affordable Housing	\$500,000	The bank extended two \$500,000 loans to help acquire and construct two phases of an affordable housing project. Both are participation loans with another bank on a \$3,500,000 loan. HUD indicates that the median household income for Cache County is \$49,950 for 2006. The average cost for rent on these apartments is \$825. The required annual income to be able to afford a unit at the average price of \$825 per month would be \$35,465.50 - which is 71 percent of the county's median income. The purpose is to acquire, develop, and construct a 64 unit (32 twin homes) in a Low Income Housing Tax Credit rent community.
		\$500,000	
	Affordable Housing	\$667,830	This is a loan for purchasing land for development of 20 residential units (and rezoning from commercial to residential) in a low- and moderate-income census tract in Provo, Utah.
		\$72,165	This is a loan for the purchase and development of a duplex in Provo, Utah by a nonprofit.

2007	Affordable Housing	\$100,000	This is a loan for purchasing and developing a trailer court located at 494 South Main in Springville, Utah. The land includes 20 fully improved asphalt mobile home pads with all utilities stubbed. The project density is 11.59 pads per acre, which is fairly typical for this type of development.
	Affordable Housing	\$99,250	Line of credit to a nonprofit housing organization for a 2nd mortgage loan pool.
		\$658,230	Funds extended to construct 4 homes and 1 renovation by a nonprofit housing organization.
		\$377,596	For redeveloping 2 properties into 7 residential units by a nonprofit housing organization.
2006	Affordable Housing	\$202,640	For building a home for sale by a nonprofit housing organization.
	Affordable Housing	\$917,605	Loan for purchase and remodel of motel into 24 studio apartments. Average rent for each unit is \$450 per month which fills the need for low- to moderate-income housing in this middle income census tract .
	Affordable Housing	\$303,000	Construct and develop 64 apartment units qualifying as a low income tax credit project in Logan, Utah.

Source: Bank Records

Qualified Investments

CB has extended a reasonable level of qualified investments.

The bank has extended two qualified investments during the assessment period as the following table shows. The underlying mortgages in the pool were verified as being extended to low- and/or moderate-income individuals residing in the bank's assessment area, or a wider regional area.

Qualified Investments	2008	2007	2006
Mortgage Backed Security (MBS) FNMA Pool	\$0	\$0	\$2,688,019
MBS FHLMC Pool	\$0	\$1,992,347	\$0
Totals	\$0	\$1,992,347	\$2,688,019

Source: Bank Records

Qualified Donations

The bank extended \$98,468 in total qualified donations during the assessment period to various nonprofit groups and entities.

Donations	2006	2007	2008	Totals
	\$36,644	\$36,375	\$25,449	\$98,468

Source: Bank Records

Community Development Services

CB has extended a reasonable level of community development services.

Service Hours	2006	2007	2008	Totals
	72	78	31	181

Source: Bank Records

The bank has earned qualifying community development credit through bank employees serving on various nonprofit boards:

Bank employees or directors serve on the following boards:

- **Business Alliance** – a small business revitalization efforts for the downtown Provo main street district
- **An Economic Development and Redevelopment Agency in Provo**
- **Nonprofit Housing Organization in Provo**
- **Nonprofit CRA Advisory Committee**
- **Nonprofit Housing Organization in Utah County**